



District of British Columbia
Division No. 03 - Vancouver
Estate No. 11-2907784
Court No.

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE BANKRUPTCY OF

MEDI-PURE PHARMACEUTICALS INC.

TRUSTEE'S PRELIMINARY REPORT

February 15, 2023

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INTRODUCTION AND PROCEEDINGS TO DATE

- 1) Medipure Pharmaceuticals Inc. ("**MPI**") was incorporated under the *Business Corporations Act of British Columbia* ("**BCBA**") on February 12, 2014. MPI is a wholly owned subsidiary of Medipure Holdings Inc. ("**MHI**", together with MPI, "**Medipure**" or the "**Companies**"), which was incorporated under the BCBA on June 20, 2014. There are no remaining directors in the Companies.
- 2) On August 19, 2022, on application by the Companies, the Supreme Court of British Columbia (the "**Court**") made an order granting the Companies protection from their creditors pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 as amended (the "**CCAA**"). Deloitte Restructuring Inc. ("**Deloitte**") was appointed as monitor (the "**Monitor**") in the Companies' CCAA proceedings (the "**CCAA Proceedings**").
- 3) The CCAA Proceedings were a continuation of the proceedings (the "**BIA Proceedings**") which commenced on May 11, 2022 pursuant to Part III, Division I of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**").
- 4) The assets of MPI were sold through the CCAA Proceedings and the Monitor was conditionally discharged on November 1, 2022.
- 5) On February 2, 2023, (the "**Date of Bankruptcy**"), the Monitor, pursuant to the provisions of the BIA and an order from the CCAA Proceedings, caused MPI to file an assignment into bankruptcy for the general benefit of creditors.
- 6) Deloitte was appointed as licensed insolvency trustee of the estate of the bankrupt (the "**Trustee**") by the Official Receiver, subject to affirmation by the creditors at the first meeting of creditors.
- 7) The purpose of this Trustee's Preliminary Report ("**Report**") is to:
 - a) Provide background information concerning the Companies' affairs and the causes of financial difficulties; and
 - b) Provide the Trustee's preliminary evaluation of the assets and liabilities of the Companies.

Terms of Reference

- 8) In preparing this Report, the Trustee has relied upon unaudited financial and other information prepared by MPI's former management and directors, the books and records of MPI, and discussions with former management and directors.
- 9) The Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Trustee expresses no opinion or other form of assurance in respect of this information.
- 10) The Trustee assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction, or use of this Report. Any use which any party makes of this Report, or any reliance or decision to be made based on this Report, is the sole responsibility of such party.

- 11) All dollar amounts in this Report are expressed in Canadian dollars, unless otherwise indicated.

BACKGROUND TO MEDIPURE'S FINANCIAL DIFFICULTIES

- 12) Prior to the Date of Bankruptcy, the Companies were engaged in biopharmaceutical research and development with a focus on developing proprietary endocannabinoid system-based prescription drugs. Medipure was developing a suite of drugs targeting specific disease areas including pain management, mood disorder, anxiety, nausea, appetite, oncology, arthritis, dermatology and fatty liver disease.
- 13) Medipure's drug candidates were at various stages of development and testing. The Companies had no revenue and had operated at a loss since inception. Without revenues, Medipure relied on equity and debt financing to fund its operations.
- 14) The Companies' consolidated unaudited and draft financial statements for the year ended March 31, 2022 indicated a comprehensive loss of \$7.4 million, with an accumulated deficit of \$36.0 million since inception.
- 15) MHI became a reporting issuer on November 7, 2014, trading on the Canadian Securities Exchange under the symbol "MDH". On November 4, 2015 MHI was issued a cease trade order ("**CTO**") by the British Columbia Securities Commission ("**BCSC**") as a result of MHI's failure to file continuous disclosure material, and was subsequently delisted in August 2016. At the NOI Filing Date, MHI was subject to CTOs in the provinces of British Columbia, Alberta and Ontario.
- 16) As a result of the CTOs, Medipure was restricted from raising additional capital to fund its operations. The Companies had a substantial working capital deficiency and began to experience liquidity issues in late 2021.
- 17) Due to these liquidity issues and as referenced above, the Companies initiated the BIA Proceedings which were continued under the CCAA Proceedings.

ASSETS

- 18) The Trustee assisted the former directors and management with producing a statement of affairs of MPI as of the Date of Bankruptcy (the "**SOA**"). The SOA is attached hereto as **Appendix "A"**.
- 19) As part of the CCAA Proceedings, all of the assets of MPI and MHI, with the exception of MHI's shares in Medipure LifeSciences India Pvt Ltd. which had negligible value, were sold to Apogee Pharmaceuticals, Inc. (the "**Purchaser**") pursuant to an Asset and Purchase Agreement dated October 31, 2022 between the Companies, the Purchaser, and SHP Capital, LLC ("**SHP**") as covenantee (the "**Purchase Agreement**"). The Purchase Agreement was for a total net purchase price of approximately \$790,000 and was approved by the Court (the "**Sale Approval Order**") and closed on November 1, 2022. A copy of the Sale Approval Order and the Purchase Agreement is attached hereto as **Appendix "B"**.
- 20) The Proceeds from the Apogee Sale were distributed to Deloitte, the Monitor's legal counsel (Clark Wilson LLP), the chief restructuring officer appointed in the CCAA Proceedings (Helmsman Management Ltd.), the Companies' counsel (Boughton Law Corporation), and SHP pursuant to Court ordered first priority charges granted on the

Companies' assets during the BIA Proceedings and the CCAA Proceedings to cover professional fees.

- 21) Pursuant to the Apogee Sale and, as detailed in the SOA, MPI does not have any remaining assets.

CONSERVATORY AND PROTECTIVE MEASURES

- 22) Pursuant to the Apogee Sale, most of the books and records of MPI were provided to the Purchaser with access being granted to the Trustee if required.

CREDITORS

Unsecured Creditors

- 23) The SOA includes unsecured creditors with claims totaling \$4,869,232. Two claims for employee severance totaling \$406,634 were not included within the SOA.
- 24) There are no secured claims included in the SOA as there are no assets in the estate and the Trustee does not expect that there will be any funds available to any secured, priority or other creditors.
- 25) During the CCAA Proceedings, 13 employees were laid off. These employees submitted claims within the CCAA Proceedings for salary arrears and unpaid severance and vacation pay totaling \$595,795.
- 26) A balance of \$100,426 is owing to Employment and Social Development Canada ("**ESDC**") and is included within the unsecured creditor balance. This relates to payments made by ESDC under the Wage Earner Protection Program ("**WEPP**").
- 27) After any WEPP payments, ESDC is subrogated to any rights the individual employee may have against the employer, to the extent of the amount paid. The super-priority status of claims up to \$2,000 per employee is also transferred to ESDC. As such, the balances owing to ESDC are as follows:
 - a. \$24,501 super-priority; and
 - b. \$75,925 unsecured.
- 28) As there are no assets within the estate and no distributions are anticipated to any creditors, the SOA reported the total balance owing to ESDC within unsecured creditors.

Provable Claims

- 29) At the time of finalizing this Report, the Trustee has received three proofs of claim from creditors, with claims totaling \$504,450.

Anticipated Realization and Projected Distribution

- 30) Due to the lack of assets, the Trustee does not expect there to be any funds available to distribute to creditors.

- 31) In consideration of the Trustee agreeing to act as trustee of MPI, the Trustee received funds of \$20,000 from Apogee pursuant to a third-party deposit agreement.

LEGAL PROCEEDINGS, REVIEWABLE TRANSACTIONS AND TRANSFERS

- 32) At the time of this Report, the Trustee is not aware of any legal proceedings against MPI.
- 33) The Trustee is in the process of completing the Trustee Transaction Review to determine that all receipts and disbursements occurred in the normal course of business and that no creditor has received preferential treatment.

OTHER MATTERS

- 34) Further information and materials regarding these proceedings may be obtained from the Trustee's website at:

<https://www.insolvencies.deloitte.ca/en-ca/Pages/Medipure-Pharmaceuticals-Inc-and-Medipure-Holdings-Inc.aspx?searchpage=Search-Insolvencies.aspx>

Dated at Vancouver, this 15th day of February, 2023.

DELOITTE RESTRUCTURING INC.

In its capacity as Licensed Insolvency Trustee of
Medipure Pharmaceuticals Inc. and not in its personal capacity



Per: _____
Jeff Keeble, CPA, CA, CIRP, LIT, CVB

Appendix A
Statement of Affairs in the matter of the bankruptcy of Medipure Pharmaceuticals
Inc. dated February 2, 2022

District of: British Columbia
 Division No. 03 - Vancouver
 Court No. TBD
 Estate No. 11-2907784

Original Amended

Form 78
 Statement of Affairs (Business Bankruptcy) made by an entity
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the Matter of the Bankruptcy of
 Medipure Pharmaceuticals Inc.
 of the City of North Vancouver, in the Province of British Columbia

To the bankrupt:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the bankruptcy, on the 31st day of January 2023. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)		ASSETS (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A"	4,869,231.77	1. Inventory	0.00
Balance of secured claims as per list "B"	0.00	2. Trade fixtures, etc.	0.00
Total unsecured creditors	4,869,231.77	3. Accounts receivable and other receivables, as per list "E"	
2. Secured creditors as per list "B"	0.00	Good	0.00
3. Preferred creditors as per list "C"	0.00	Doubtful	0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	9.00	Bad	0.00
Total liabilities	4,869,240.77	Estimated to produce	0.00
Surplus	NIL	4. Bills of exchange, promissory note, etc., as per list "F"	0.00
		5. Deposits in financial institutions	0.00
		6. Cash	0.00
		7. Livestock	0.00
		8. Machinery, equipment and plant	0.00
		9. Real property or immovable as per list "G"	0.00
		10. Furniture	0.00
		11. RRSPs, RRIFs, life insurance, etc.	0.00
		12. Securities (shares, bonds, debentures, etc.)	0.00
		13. Interests under wills	0.00
		14. Vehicles	0.00
		15. Other property, as per list "H"	0.00
		If bankrupt is a corporation, add:	
		Amount of subscribed capital	0.00
		Amount paid on capital	0.00
		Balance subscribed and unpaid	0.00
		Estimated to produce	0.00
		Total assets	0.00
		Deficiency	4,869,240.77

I, _____, of the City of Vancouver in the Province of British Columbia, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of the affairs of the Corporation on the 31st day of January 2023 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)
 before me at the City of Vancouver in the Province of British Columbia, on this 1st day of February 2023.

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FORM 78 – Continued

In the Matter of the Bankruptcy of
 Medipure Pharmaceuticals Inc.
 of the City of North Vancouver, in the Province of British Columbia

List "A"
 Unsecured Creditors

Medipure Pharmaceuticals Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	Annie Tam	[REDACTED]	10,614.97	0.00	10,614.97
2	Bao Li	[REDACTED]	10,344.20	0.00	10,344.20
3	Bao Li - Expenses	[REDACTED]	711.20	0.00	711.20
4	BC Hydro	BC Hydro P.O. Box 9501 STN Terminal Vancouver Vancouver BC V6B 4N1	1,840.51	0.00	1,840.51
5	BCIT- Finance Department	3700 Willingdon Avenue Burnaby BC V5G 3H2	143.92	0.00	143.92
6	Biotage	10430 Harris Oaks Blvd Suite C Charlotte NC 28269 USA	11,246.19	0.00	11,246.19
7	Boast Capital	2565 W 15th Ave Vancouver BC V6K 2Z3	47,250.00	0.00	47,250.00
8	Canada Revenue Agency (GST)	9755 King George Boulevard, Surrey, BC, V3T 5E1 Surrey BC V3T 5E1	92,109.38	0.00	92,109.38
9	Canada Revenue Agency (Payroll)	9755 King George Surrey BC V3T 5E1	2,088,663.16	0.00	2,088,663.16
10	Canadian Life Science	270 Jameson Drive Peterborough ON K9J 6X6	268.82	0.00	268.82
11	Canadian Linen & Uniform	Box 51082 RPO Tyndall Winnipeg MB R2X 3C6	237.47	0.00	237.47
12	Canadian Springs-Lab	Canadian Springs PO BOX 4514 STN A Toronto ON M5W 4L7	49.18	0.00	49.18
13	CAS (Scifinder)	CAS American Chemical Society Bank of America 100 N Tryon St Charlotte NC 28202 USA	8,488.78	0.00	8,488.78
14	Combi-Blocks Inc	7949 Silverton Ave Suite 915 San Diego CA 92126 USA	1,327.34	0.00	1,327.34
15	David Bogucki	[REDACTED]	11,641.89	0.00	11,641.89
16	DLA Piper (Canada) LLP	Suite 2800 Park Place 666 Burrard Street Vancouver BC V6C 2Z7	254.41	0.00	254.41
17	DR. Xia Zhang, M.Sc, M.D., Ph.D	580 Rowanwood Avenue Ottawa, K2A 3E1 Ottawa ON K2A 3E1	39,999.96	0.00	39,999.96
18	Employment and Social Development Canada (WEPP)	PO Box 2222 Matane QC G4W 4R8	100,425.86	0.00	100,425.86
19	ESTI	302 2nd Avenue North Saskatoon Saskatoon SK S7K 2B9	8,736.63	0.00	8,736.63
20	Eurofins Advinus / Adgyl Lifescience Ltd.	21 & 22, Phase-II, Peenya Industrial Area Bangalore, Karnataka 560058 India	126,588.21	0.00	126,588.21
21	Fisher Scientific Company	C/O 915660 PO Box 4090 Postal Station A Toronto ON M5W 0E9	431.73	0.00	431.73
22	Fortis BC - Natural Gas	PO Box 6666 Station Terminal Vancouver BC V6B 6M9	3,171.20	0.00	3,171.20

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FORM 78 – Continued

In the Matter of the Bankruptcy of
 Medipure Pharmaceuticals Inc.
 of the City of North Vancouver, in the Province of British Columbia

List "A"
 Unsecured Creditors

Medipure Pharmaceuticals Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
23	Francisco Wellington Melo Da Rocha	[REDACTED]	8,839.31	0.00	8,839.31
24	Gowlings WLG	Suite 2300 Bentall 5 Vancouver BC V6C 2B5	32,497.32	0.00	32,497.32
25	Impark	C/O VH1009 PO Box 9520 Station Main Vancouver BC V6B 4G3	4,486.05	0.00	4,486.05
26	Indigo BioSciences.	3006 Research Dr a1 State College PA 16801 USA	2,970.62	0.00	2,970.62
27	Janice Solon / Consultant	306-12 Water Street Vancouver BC V6B 1A5	4,800.00	0.00	4,800.00
28	John Maynard	[REDACTED]	21,626.66	0.00	21,626.66
29	John Maynard - Expenses	[REDACTED]	532.00	0.00	532.00
30	K K Viswanadham	[REDACTED]	8,805.74	0.00	8,805.74
31	Kaiji Hu	[REDACTED]	24,941.89	0.00	24,941.89
32	Lorne Nystrom - Expenses	66 Norwood Crescent Regina SK S4R 0A5	1,686.01	0.00	1,686.01
33	Mat Tek Corporation	200 Homer Avenue Ashland MA 01721 USA	4,091.27	0.00	4,091.27
34	Mills Office Productivity	1111 Clark Drive Vancouver Vancouver BC V5L 3K5	2,463.54	0.00	2,463.54
35	Mysia Gruber - Expenses	2348 Orchard Lane West Vancouver BC V7V 4X4	18,677.84	0.00	18,677.84
36	Nada Radwan	[REDACTED]	2,547.58	0.00	2,547.58
37	Neil Solomons, MD	5553 Parker Avenue Victoria BC V8Y 2N2	39,999.96	0.00	39,999.96
38	Nihar Pandey	[REDACTED]	16,615.38	0.00	16,615.38
39	Nihar Pandey - Expenses	[REDACTED]	114,369.62	0.00	114,369.62
40	Omegachem	480 Rue Perreault Saint-Romuald QC G6W 7V6	22,722.00	0.00	22,722.00
41	Omicron Canada Inc.	Fifth Floor Three Bentall Centre 559 Burrard Street Vancouver BC V7X 1L4	24,388.10	0.00	24,388.10
42	Patricia Taylor Law Corporation	666 Burrard St #500 Vancouver BC V6C 3P6	24,704.10	0.00	24,704.10
43	PatSnap UK Ltd. c/o Wiggins Adjustments Ltd.	1 University Avenue, WeWork, 3rd Floor Toronto ON M5J 2P1	70,009.30	0.00	70,009.30
44	Phantom Couriers Inc	329 Howe Street Vancouver BC V6C 1Z7	231.05	0.00	231.05

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In the Matter of the Bankruptcy of
 Medipure Pharmaceuticals Inc.
 of the City of North Vancouver, in the Province of British Columbia

List "A"
 Unsecured Creditors

Medipure Pharmaceuticals Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
45	Rakshit Kodekalra	[REDACTED]	326,818.56	0.00	326,818.56
46	Rakshit Kodekalra - Expenses	[REDACTED]	98,916.82	0.00	98,916.82
47	Rashmi Tiwari-Pandey	[REDACTED]	37,621.81	0.00	37,621.81
48	Red Lion Management Ltd.	267 Esplanade W #306 North Vancouver BC V7M 1A5	67,161.29	0.00	67,161.29
49	Rman Walia	[REDACTED]	50,676.92	0.00	50,676.92
50	Rman Walia - Expenses	[REDACTED]	3,293.44	0.00	3,293.44
51	Ron Wong & Associates Inc	2268 No 5 Rd Unit 220 Richmond BC V6X 2T1	3,675.00	0.00	3,675.00
52	SARSTEDT	6373 Bd des Grandes-Prairies Saint-Léonard QC H1P 1A5	87.25	0.00	87.25
53	Seaforth Construction LTD	5041 Regent Street Burnaby BC V5H 4H4	452,578.48	0.00	452,578.48
54	Secan Technologies Inc.	12120 Vulcan Way Richmond BC V6V 1J8	94.50	0.00	94.50
55	Sekisui XenoTech, LLC	1101 W. Cambridge Circle Drive Kansas City KS 66103 USA	1,060.26	0.00	1,060.26
56	Shaw Enterprise	PO Box 1607, Station M Calgary AB T2P 2L7	8,392.73	0.00	8,392.73
57	SHP Capital LLC	c/o Bennett Jones 666 Burrard St #2500 Vancouver BC V6C 2X8	1.00	0.00	1.00
58	SHP Capital LLC – assignment of claim (MR Vanca Holdings Corp)	c/o Bennett Jones 666 Burrard St #2500 Vancouver BC V6C 2X8	378,910.72	0.00	378,910.72
59	Sigma-Aldrich Canada Co.	LBX# T6226 P.O. Box 6100, Postal Station "F" Toronto ON M4Y 2Z2	1,067.58	0.00	1,067.58
60	SK Architect Inc	300 - 22420 Dewdney Trunk Road Maple Ridge BC V2X 3J5	290,720.36	0.00	290,720.36
61	Sterling Talent Solutions Canada Corp	Suite 200 – 19433 96th Ave Surrey BC V4N 4C4	113.40	0.00	113.40
62	TD Canada Trust - CEBA Loan	700 W Georgia Street Vancouver BC V7Y 1A2	40,000.00	0.00	40,000.00
63	UBC-Dept of Chemistry	RM D232 - 2036 Main Hall Vancouver BC V6T 1Z1	1,500.00	0.00	1,500.00
64	Uthra Balasubramaniyan Iyer	[REDACTED]	4,029.11	0.00	4,029.11
65	VWR	2360 Argentia Road Mississauga Toronto ON L5N 5Z7	29,937.34	0.00	29,937.34
66	Wellington Melo - Expenses	[REDACTED]	145.60	0.00	145.60

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FORM 78 – Continued

In the Matter of the Bankruptcy of
Medipure Pharmaceuticals Inc.
of the City of North Vancouver, in the Province of British Columbia
List "A"
Unsecured Creditors
Medipure Pharmaceuticals Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
67	Whitelaw Twining Law Corporation	2400 - 200 Granville Street Vancouver BC V6C 1S4	44,341.97	0.00	44,341.97
68	Yahia Mouhammed	[REDACTED]	11,537.28	0.00	11,537.28
Total:			4,869,231.77	0.00	4,869,231.77

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FORM 78 – Continued

In the Matter of the Bankruptcy of
Medipure Pharmaceuticals Inc.
of the City of North Vancouver, in the Province of British Columbia
List "B"
Secured Creditors

Medipure Pharmaceuticals Inc.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
			Total:			0.00	0.00	0.00

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FORM 78 – Continued

In the Matter of the Bankruptcy of
Medipure Pharmaceuticals Inc.
of the City of North Vancouver, in the Province of British Columbia
List "C"
Preferred Creditors for Wages, Rent, etc.

Medipure Pharmaceuticals Inc.

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

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FORM 78 – Continued

In the Matter of the Bankruptcy of
 Medipure Pharmaceuticals Inc.
 of the City of North Vancouver, in the Province of British Columbia
 List "D"
 Contingent or Other Liabilities

Medipure Pharmaceuticals Inc.

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
1	Boris Weiss	2348 Orchard Lane West Vancouver BC V7V 4X6	1.00	0.00		Other
2	BTY Group	30 E 6th Ave #300 Vancouver BC V5T 1J4	1.00	0.00		Other
3	CF Projects Inc	Box 32120 Walnut Grove P.O. Langley BC V1M 2M3	1.00	0.00		Other
4	Eagles Ledge	2348 Orchard Lane West Vancouver BC V7V 4X6	1.00	0.00		Other
5	KPrime Technologies Inc.	Unit 105, 90 Freeport Boulevard NE Calgary AB T3J 5J9	1.00	0.00		Other
6	L.P. Gander.	704 6th Street #5 New Westminister BC V3L 3C5	1.00	0.00		Other
7	Latham&Watkins LLP	140 Scott Drive Menlo Park CA 94025 USA	1.00	0.00		Other
8	MR Vanca Holdings Corp	1070 Groveland Road West Vancouver BC V7S 1Z4	1.00	0.00		Landlord
9	New Horizons	100 Four Falls Corporation Center Suite 408 West Conshohocken PA 19428 USA	1.00	0.00		Other
Total:			9.00	0.00		

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FORM 78 – Continued

In the Matter of the Bankruptcy of
 Medipure Pharmaceuticals Inc.
 of the City of North Vancouver, in the Province of British Columbia
 List "E"
 Debts Due to the Bankrupt
 Medipure Pharmaceuticals Inc.

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
			Total:	0.00 0.00 0.00			0.00	

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FORM 78 – Continued

In the Matter of the Bankruptcy of
Medipure Pharmaceuticals Inc.
of the City of North Vancouver, in the Province of British Columbia
List "F"

Bills of Exchange, Promissory Notes, Lien Notes, Chattel
Mortgages, etc., Available as Assets

Medipure Pharmaceuticals Inc.

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

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FORM 78 – Continued

In the Matter of the Bankruptcy of
Medipure Pharmaceuticals Inc.
of the City of North Vancouver, in the Province of British Columbia
List "G"
Real Property or Immovables Owned by Bankrupt
Medipure Pharmaceuticals Inc.

Description of property	Nature of bankrupt interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Total:			0.00		0.00

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FORM 78 -- Concluded

In the Matter of the Bankruptcy of
Medipure Pharmaceuticals Inc.
of the City of North Vancouver, in the Province of British Columbia
List "H"
Property

Medipure Pharmaceuticals Inc.
FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand			0.00	0.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
			Total:	0.00

31-Jan-2023

Date

Appendix B
Sale Approval Order and Purchase Agreement



No. S-226773
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.
1985, c. C-36

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57

AND

IN THE MATTER OF *MEDIPIRE PHARMACEUTICALS INC. AND MEDIPIRE HOLDINGS INC.*

PETITIONERS

ORDER MADE AFTER APPLICATION

(APPROVAL AND VESTING ORDER)

BEFORE THE HONOURABLE)
MR. JUSTICE WALKER) November 1, 2022
)

ON THE APPLICATION of Deloitte Restructuring Inc., in its capacity as Court-appointed Monitor of the Petitioners (in such capacity, the "Monitor") coming on for hearing at Vancouver, British Columbia via MS Teams, on the 29th day of September, 2022, and continued on the 4th and 24th days of October, 2022; AND ON HEARING Christopher J. Ramsay, and those other counsel listed on Schedule "A" hereto, no one else appearing, although duly served; AND UPON READING the material filed, including the Second Report of the Monitor dated September 28, 2022 and the First Supplement to the Second Report of the Monitor dated October 4, 2022, and the Second Supplement to the Report dated October 24, 2022 (collectively, the "Report");

THIS COURT ORDERS that:

1. The sale transaction (the "Transaction") contemplated by the Asset Purchase Agreement dated October 31, 2022 (the "Sale Agreement") between the Petitioners, Apogee Pharmaceuticals, Inc. (the "Purchaser") and SHP Capital, LLC, a copy of which

is attached as Schedule "C" is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Petitioners is hereby authorized and approved, and the Petitioners, the Monitor and the CRO (as such term is defined in the Report) are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the Sale Agreement (the "**Purchased Assets**").

2. Upon delivery by the Monitor to the Purchaser of a certificate substantially in the form attached as Schedule "**B**" hereto (the "**Monitor's Certificate**"), all of the Petitioners' right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser (or to such affiliate as it may direct in accordance with the terms of the Purchase Agreement) in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Orders of this Court in the within proceedings dated August 19, 2022, August 22, 2022 and September 1, 2022, (ii) all charges created by Orders of the Court issued in the proceedings having Court File Nos. B220220 and B220221; and (iii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system; and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
3. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Monitor's Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.
4. The Monitor is to file with the Court a copy of the Monitor's Certificate forthwith after delivery thereof.
5. Pursuant to Section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* or Section 18(10)(o) of the *Personal Information Protection Act* of British Columbia, the CRO and the Monitor are hereby authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the company's records pertaining to the Petitioners' past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Petitioners.
6. Subject to the terms of the Sale Agreement, vacant possession of the Purchased Assets shall be delivered to the Purchaser at 12:01 a.m. (Pacific Time) on the Closing Date (as defined in the Sale Agreement), subject only to the permitted encumbrances as set out in the Sale Agreement.

7. The Monitor, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court provided that the Closing Date occurs by no later than the Outside Date (as defined in the Sale Agreement).

8. Notwithstanding:

(a) these proceedings;

(b) any applications for a bankruptcy order in respect of the Petitioners now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made by or in respect of the Petitioners,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Petitioners and shall not be void or voidable by creditors of the Petitioners, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Monitor and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

10. As of the Closing Date, the Petitioners shall cease to be applicants in these CCAA Proceedings and the Petitioners shall be deemed to be released from the purview of the Initial Order and all other Orders of this Court granted in these CCAA Proceedings, save and except for this Order the provisions of which (as they relate to the Petitioners) shall continue to apply in all respects;

11. Effective upon the delivery of the Monitor's Certificate to the Purchaser, the Monitor and its legal counsel and the CRO (as defined in the Amended and Restated Initial Order pronounced August 22, 2022), their respective present and former directors, officers, partners, employees and advisors (collectively, the "**Released Parties**"), shall be deemed to be forever irrevocably released and discharged from any and all present and future claims whatsoever (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, offer, investment proposal, dealing, or other fact, matter, occurrence or thing existing or taking place prior to the delivery of the Monitor's

Certificate or completed pursuant to the terms of this Order and/or in connection with the Transaction in respect of the Petitioners, its assets, business or affairs, prior dealings with the Petitioners (wherever or however conducted or governed), or the administration and/or management of the Petitioners, or these proceedings (collectively, the "Released Claims"), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, provided that nothing in this paragraph shall waive, discharge, release, cancel or bar any claim for fraud or wilful misconduct or any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

12. All activities of Deloitte acting as Monitor in these CCAA proceedings and as Proposal Trustee in the related bankruptcy proceedings, and the CRO in these CCAA proceedings are hereby approved and authorized, provided however, that only the Monitor and the CRO, their employees and representatives, acting in their personal capacities, and only with respect to their own liability, shall be entitled to rely upon or utilize in any way such approval.
13. The Monitor and the CRO, and their respective employees and representatives shall not be deemed directors of the Petitioners de facto or otherwise, and shall incur no liability as a result of acting in accordance with this Order, other than any liability arising out of or in connection with the gross negligence or wilful misconduct.
14. The Monitor or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.
15. The stay of proceedings is further extended to November 1, 2022.
16. Endorsement of this Order by counsel appearing on this application other than the Monitor is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



fc _____
Signature of Lawyer for Deloitte Restructuring Inc.
Lawyer: Christopher J. Ramsay

BY THE COURT



Registrar



Schedule "A"

LIST OF COUNSEL

Christopher J. Ramsay	Deloitte Restructuring Inc., Monitor (and making submissions on behalf of the CRO)
Martin Sennott	Petitioners
David Gruber	SHP Capital, LLC and Apogee Pharmaceuticals, Inc.
Cobi Dayan	Seaforth Construction Ltd.
Ryan Laity	Peretz-Lalli Group

SCHEDULE "B"

MONITOR'S CERTIFICATE

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-35, AS AMENDED

AND

IN THE MATTER OF THE BUSINESS CORPORATIONS ACT, S.B.C 2002, c. 57

AND

IN THE MATTER OF MEDIPIRE PHARMACEUTICALS INC. AND MEDIPIRE HOLDINGS
INC.

PETITIONERS

MONITOR'S CERTIFICATE

A. By order made August 19, 2022, this Court appointed Deloitte Restructuring Inc. as monitor (the "**Monitor**") of each of the Petitioners pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c. C-46 (as amended, the "**CCAA**").

B. Pursuant to an order of the Court dated October 24, 2022 (the "**Approval and Vesting Order**"), the Court approved the sale of the Purchased Assets to Apogee Pharmaceuticals, Inc. (the "**Purchaser**"), providing for the vesting in the Purchaser of all of the Petitioners' right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming the transaction contemplated by the Sale Agreement has been completed to the satisfaction of the Monitor.

C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Approval and Vesting Order or the Sale Agreement, as the case may be.

THE MONITOR HEREBY CERTIFIES the following:

1. The Monitor has received written confirmation in form and substance satisfactory to the Monitor from the Purchaser and Vendor that all conditions of Closing have been satisfied or waived by the applicable Parties.

2. The Monitor is holding the Deposit in trust to be used to satisfy the Purchase Price in accordance with the Sale Agreement.

This Certificate was delivered by the Monitor at _____ on _____, 2022.

DELOITTE RESTRUCTURING INC., in its capacity as the Monitor of the Petitioners, and not in its personal capacity:

Name: Jeff Keeble

Schedule "C"
Purchase Agreement

MEDIPURE HOLDINGS INC., and MEDIPURE PHARMACEUTICALS INC.

collectively, as Vendor

and

APOGEE PHARMACEUTICALS, INC.

as Purchaser

SHP CAPITAL, LLC

as Covenantee

ASSET PURCHASE AGREEMENT

October 31, 2022

ASSET PURCHASE AGREEMENT

This asset purchase agreement is made as of October 31, 2022, between Medipure Holdings Inc. ("**MHI**") and Medipure Pharmaceuticals Inc. ("**MPI**", and together with MHI, collectively, "**Medipure**" or the "**Vendor**"), Apogee Pharmaceuticals, Inc. (the "**Purchaser**"), and SHP Capital, LLC ("**SHP**"), as covenantee in respect of the covenants set out in Section 5.3 herein.

RECITALS:

- (1) On August 19, 2022, the Vendor obtained relief under the CCAA (as defined herein) pursuant to the Initial Order issued by the Supreme Court of British Columbia (the "**Court**"), and Deloitte Restructuring Inc. was appointed as Monitor.
- (2) In order to finance the Monitor's participation in the CCAA Proceedings, SHP advanced to the Monitor a retainer of CAD\$375,000 (the "**Retainer Payment Amount**"), on the condition that such amount either be secured by or be repaid from the first advance under a debtor-in-possession financing facility to be approved, which conditions were unable to be fulfilled.
- (3) The Court issued an Amended and Restated Initial Order on August 22, 2022 (the "**ARIO**"), among other things, appointing the CRO (as defined herein) and empowering it to carry on the activities and operations of the Medipure Entities, including in respect of carrying out the CCAA Proceedings (as defined herein), and granting the CRO Charge in favour of the CRO and the Administration Charge in favour of the Administrative Professionals.
- (4) The Court issued a Second Amended and Restated Initial Order on September 1, 2022 ("**Second ARIO**"), among other things, approving the Liquidation Charge (as defined herein).
- (5) The Court declined to approve debtor-in-possession financing offered by SHP, and the Retainer Payment Amount remains unpaid as of the date hereof.
- (6) Due to lack of financing to carry on the CCAA Proceedings, on September 14, 2022, the CRO advised that it would be immediately commencing a liquidation of the Vendors' assets for the benefit of the Vendors' creditors, generally (the "**Sale Process**").
- (7) On September 23, 2022, the Purchaser submitted a letter of intent to the Monitor under the Sale Process.
- (8) The Court issued an Order Made After Application on October 6, 2022, providing for an extension of the Sale Process until not later than October 26, 2022, and approval of a debtor in possession loan(s), among other things.
- (9) At an attendance held October 24, 2022, the Court declared the Purchaser to be the successful bidder in the Sale Process.
- (10) The Vendor desires to sell the Purchased Assets, and the Purchaser has agreed to purchase such assets subject to the terms and conditions set forth in this Agreement, the Sale Process and the applicable provisions of the CCAA.
- (11) SHP is the Vendor's sole secured creditor with a perfected security interest by virtue of a Promissory Note dated October 21, 2021, as secured by a General Security Agreement dated

November 2, 2021, both of which are in default, which default remains outstanding as of the date hereof.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Vendor and the Purchaser agree as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

In this Agreement and the recitals above, the following terms have the following meanings:

"Administrative Professionals" means the Vendors' legal counsel, the Monitor, the Monitor's legal counsel, and the CRO.

"Affiliate" has the meaning given to the term "affiliate" in the *Canada Business Corporations Act*.

"Agreement" means this asset purchase agreement, as amended from time to time in accordance with the terms hereof.

"Applicable Law" means, in respect of any Person, property, transaction or event, any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order, in each case, having the force of law, that applies in whole or in part to such Person, property, transaction or event.

"Approval and Vesting Order" means an order issued by the Court substantially in the form of the British Columbia model vesting order, with such modifications as may be requested or required by the Purchaser, in its sole discretion, authorizing the Transaction and vesting in the Purchaser (or as it may direct) all the right, title and interest of the Vendor in and to the Purchased Assets.

"Assignment Order" means an order or orders of the Court pursuant to section 11.3 of the CCAA and other applicable provisions of the CCAA, in form and substance satisfactory to the Purchaser and the Vendor, each acting reasonably, authorizing and approving: (i) the assignment of any Consent Required Contract for which a consent, approval or waiver necessary for the assignment of such Consent Required Contract has not been obtained; (ii) the prevention of any counterparty to such Consent Required Contracts from exercising any right or remedy under such Consent Required Contracts by reason of any defaults arising from the CCAA Proceedings or the insolvency of the Vendor; and (iii) the vesting in the Purchaser (or as it may direct) of all right, title and interest of the Vendor in such Consent Required Contracts.

"Assumed Obligations" has the meaning set out in Section 2.4.

"BIA Proceedings" means the proposal proceedings commenced by MHI and MPI under Part 3 of the *Bankruptcy and Insolvency Act* (Canada), having Court File Nos. B220220 and B22021, respectively.

"Books and Records" means all files, documents, emails, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), used or intended for use by, and in the possession of the Vendor, including the Contracts, customer lists,

customer information and account records, sales records, computer files, data processing records, employment and personnel records, sales literature, advertising and marketing data and records, credit records, records relating only to suppliers and other data, in each case, relating in any way to the Purchased Assets, MHI and MPI, and their past or present affiliates, subsidiaries, officers, directors and employees.

"Business Day" means a day on which banks are open for business in Vancouver, British Columbia but does not include a Saturday, Sunday or statutory holiday in the Province of British Columbia.

"CCAA" means the *Companies' Creditors Arrangement Act* (Canada).

"CCAA Proceedings" means the proceedings commenced by, among others, the Vendor under the CCAA.

"Claims" means any claim of any nature or kind (including any cross-claim or counterclaim), demand, investigation, chose in or cause of action, suit, default, assessment, litigation, third party action, arbitral proceeding or proceeding by or before any Person.

"Closing" means the successful completion of the Transaction.

"Closing Date" means November 1, 2022, unless the conditions set forth in Article 6 have not been satisfied or waived, other than the conditions set forth in Article 6 that by their terms are to be satisfied or waived at the Closing (or such other date agreed to by the Parties in writing); provided that the Closing Date shall be no later than the Outside Date.

"Closing Time" means 12:00:01 a.m. (Vancouver time) on the Closing Date.

"Consent Required Contract" has the meaning set out in Section 2.2(a).

"Contracts" means the contracts and other written agreements to which the Vendor is a party constituting part of the Purchased Assets listed in Appendix I to Schedule "A" to this Agreement.

"Court" means the Supreme Court of British Columbia.

"CRO" means Helmsman Management Ltd., in its capacity as chief restructuring officer of the Vendor.

"CRO Charge" means the charge in the maximum amount of \$50,000 in favour of the CRO granted by the Court pursuant to the ARIO.

"Cure Costs" means all amounts required to be paid pursuant to section 11.3 of the CCAA to effect, pursuant to the CCAA, the assignment by the Vendor and assumption by the Purchaser of Consent Required Contracts under the Assignment Order and to otherwise satisfy all requirements imposed by section 11.3 of the CCAA.

"Deposit" means CAD\$925,000, which amount has been provided by wire transfer, in trust, to Clark Wilson LLP, in its capacity as legal counsel for the Monitor.

"D&O Claims" means, collectively, all claims and causes of action (whether asserted or unasserted) possessed by or on behalf of MHI and/or MPI, or any of its subsidiaries, against any of the current and former directors and officers, including any Affiliates of, or entities controlled by,

any of the current or former directors and officers (including, but not limited to, Eagles Ledge Investments Inc.), for, among other things, breach of fiduciary duty, negligence, and conversion.

"DIP Loan" means a debtor in possession loan or loans made pursuant to a Court order dated October 6, 2022.

"Employee" means an individual who is employed by the Vendor, whether on a full-time or a part-time basis, whether active or inactive as of the Closing Date, and includes an employee on short term or long-term disability leave.

"Encumbrances" means any security interest, lien, claim, charge, hypothec, reservation of ownership, pledge, encumbrance, mortgage, adverse claim or right of a third party of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, (including any conditional sale or title retention agreement, or any capital or financing lease).

"Excise Tax Act" means the *Excise Tax Act* (Canada).

"Excluded Assets" means all of the Vendor's right, title and interest, in and to those assets and rights set forth in Schedule "B".

"Excluded Equipment" means any equipment or machinery and any parts and components thereof, that are Excluded Assets.

"Final Invoice" has the meaning set out in Section 3.1(a).

"GCB Claims" means collectively, all claims and causes of action (whether asserted or unasserted) possessed by or on behalf of MHI and/or MPI against GCB Capital LLC, its affiliates, advisors, past or current employees, officers, and managers or similar.

"Governmental Authority" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation.

"HST" means the goods and services tax and harmonized sales tax levied under Part IX of the Excise Tax Act.

"Income Tax Act" means the *Income Tax Act* (Canada).

"Intellectual Property" means all intellectual property and industrial property related to the Vendor's business throughout the world, whether or not registrable, patentable or otherwise formally protectable, and whether or not registered, patented, otherwise formally protected or the subject of a pending application for registration, patent or any other formal protection, including all: (i) copyrights, patents, patent rights, trademarks, certification marks, corporate names, business names, trade names and brand names; (ii) inventions and plant breeders' rights; (iii) works and subject matter in which copyright, neighboring rights or moral rights subsist; (iv) industrial designs; (v) know-how, trade secrets, proprietary information, confidential information and information of a sensitive nature that have value to the Business or relate to business opportunities for the Business, in whatever form communicated, maintained or stored; (vi) telephone numbers and facsimile

numbers; (vii) registered domain names, IP addresses, websites, email addresses; and (viii) social media usernames and other internet identities and all account information relating thereto;

"Liquidation Charge" means the charge in the maximum amount of \$200,000 in favour of Monitor, legal counsel to the Monitor and the CRO, granted by the Court pursuant to the Second ARIO.

"Maximum Purchase Price Amount" means CAD\$925,000.

"Medipure" has the meaning set out in the recitals hereto.

"Medipure Croatia" means Medipure d.o.o.

"Medipure Croatia Shares" means all the issued and outstanding shares in the capital of Medipure Croatia.

"Monitor" means Deloitte Restructuring Inc., in its capacity as the monitor in the CCAA Proceedings.

"Monitor's Certificate" means the certificate of the Monitor contemplated by the Approval and Vesting Order certifying that the Monitor has received written confirmation in form and substance satisfactory to the Monitor from the Parties that all conditions of Closing have been satisfied or waived by the applicable Parties.

"Non-Assignable Interests" means any Purchased Assets, which, by their nature, cannot be legally or practically sold and assigned by the Vendor to the Purchaser hereunder, including without limitation any Consent Required Contracts and licenses for which an Assignment Order or counterparty consent has not been obtained or which by their nature are not assignable.

"Outside Date" means January 31, 2023.

"Party" means each of the Purchaser and the Vendor.

"Permitted Encumbrances" means those Encumbrances set forth in Schedule "C".

"Person" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted.

"Purchase Price" means an amount equal to the lesser of (i) the professional fees and expenses incurred by the Administrative Professionals in connection with the CCAA Proceedings and the BIA Proceedings as evidenced by Final Invoice issued in accordance with Section 3.1(a), plus the amount approved in any Court order issued in the CCAA Proceedings approving the fees and disbursements of the Administrative Professionals, plus the Wind-Down Amount, and (ii) the Maximum Purchase Price Amount.

"Purchased Assets" means all of the Vendor's right, title and interest, in and to the assets used in the business of the Vendor, being those assets set forth in Schedule "A" and for greater certainty shall exclude all Excluded Assets.

"**Purchaser**" has the meaning set out in the recitals hereto.

"**Retainer Payment Amount**" has the meaning set out in the recitals hereto.

"**Sale Process**" has the meaning set out in the recitals hereto.

"**SHP**" means SHP Capital, LLC, the parent company of the Purchaser.

"**SHP Claims**" means SHP's trust and/or tracing claims against MHI and MPI relating to SHP's investment in MHI in the amount of US\$5,065,001.

"**SHP Claims Release**" means the release of the SHP Claims by SHP in accordance with Section 5.3.

"**Representative**" means, in respect of a Party, each director, officer, employee, agent, Affiliate, manager, lender, solicitor, accountant, professional advisor, consultant, contractor and other representative of such Party or such Party's Affiliates.

"**Transaction**" means the transaction of purchase and sale contemplated by this Agreement.

"**Transfer Taxes**" means all present and future transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Purchased Assets, including HST but excluding any taxes imposed or payable under the Income Tax Act and any other applicable income tax legislation.

"**Vendor**" has the meaning set out in the recitals hereto.

"**Wind Down Amount**" means CAD\$40,000, being a fixed agreed upon amount needed to fund the Monitor's activities necessary to wind down and dissolve the Medipure entities under the *Bankruptcy and Insolvency Act*.

Section 1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

Section 1.3 General Construction.

The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof. The expression "Section" or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

Section 1.4 Extended Meanings

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings.

Section 1.5 Currency

All references in this Agreement to dollars, monetary amounts or to \$ are expressed in Canadian currency unless otherwise specifically indicated.

Section 1.6 Statutes

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

Section 1.7 Schedules

The following Schedules are incorporated in, and form part of, this Agreement:

Schedule "A" – Purchased Assets

Schedule "B" – Excluded Assets

Schedule "C" – Permitted Encumbrances

**ARTICLE 2
SALE AND PURCHASE AND ASSIGNMENT**

Section 2.1 Sale and Purchase of Assets

Subject to the terms and conditions hereof, at the Closing Time, the Vendor hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase from the Vendor, the Purchased Assets free and clear of all Encumbrances (other than Permitted Encumbrances) pursuant to the Approval and Vesting Order.

Section 2.2 Assignment of Contracts

In the event that there are any Contracts which are not assignable in whole or in part without the consent, approval or waiver of another party or parties to them and such consents, approvals or waivers have not yet been obtained as of the Closing Date, then:

- (a) nothing in this Agreement will be construed as an assignment of any such Contract (each a "**Consent Required Contract**");
- (b) until the Approval and Vesting Order is granted, the Vendor shall use its commercially reasonable efforts to obtain any such consent, approval or waiver, and the Purchaser shall provide its reasonable cooperation to assist the Vendor in obtaining any such consent, approval or waiver;
- (c) if any consent, approval or waiver is not obtained for any Consent Required Contract prior to the service of the motion for the Approval and Vesting Order, the Purchaser may request that the Vendor bring a motion to the Court for issuance of an Assignment Order with respect to such Consent Required Contracts together with the motion for the Approval and Vesting Order; and

- (d) once the consent, approval or waiver to the assignment of a Consent Required Contract is obtained, or the assignment of such Contract has been ordered by the Court, such Consent Required Contract shall be deemed to be assigned to the Purchaser on Closing.

With respect to each Consent Required Contract, subject to Closing and to either: (i) the consent of the other parties thereto to the assignment thereof; or (ii) in the absence of such consent, the obtaining of an Assignment Order, in addition to its other obligations under this Agreement, the Purchaser shall pay the applicable Cure Costs related to such Consent Required Contract on Closing.

Section 2.3 "As is, Where is"

The Purchaser acknowledges that the Vendor is selling the Purchased Assets on an "as is, where is" basis as they shall exist as at the Closing Time. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Vendor does not guarantee title to the Purchased Assets. No representation, warranty or condition is expressed or can be implied as to title, Encumbrances, description, fitness for purpose, merchantability, condition, quantity or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Vendor to sell or assign same save and except as expressly represented or warranted herein. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (British Columbia) or similar legislation do not apply hereto and have been waived by the Purchaser. The description of the Purchased Assets contained in the Schedules is for purpose of identification only. Except as otherwise provided in Section 4.2, no representation, warranty or condition has or will be given by the Vendor concerning completeness or accuracy of such descriptions.

Section 2.4 Assumed Obligations

The Purchaser shall assume and perform, discharge and pay when due the following obligations and liabilities of the Vendor (the "**Assumed Obligations**"):

- (a) all debts, liabilities and obligations under the Contracts (to the extent assigned or transferred to the Purchaser on Closing) for the period from and after the Closing Time;
- (b) the obligations and liabilities of the Vendor to pay Cure Costs in respect of any Contract; and
- (c) all debts, liabilities and obligations arising from ownership and use of the Purchased Assets for the period from and after the Closing Time.

Section 2.5 Excluded Obligations

Other than the Assumed Obligations, the Purchaser shall not assume and shall not be liable, directly or indirectly, or otherwise responsible for any debts, liabilities or other obligations of the Vendor, including, without limiting the generality of the foregoing:

- (a) all debts, liabilities, obligations or Claims related to any Excluded Asset;
- (b) subject to Section 2.2 and Section 2.4(b), all debts, liabilities and obligations related to any Purchased Assets or the business of the Vendor arising out of or related to the period prior to the Closing Time;
- (c) all obligations and liabilities owing by the Vendor to any Affiliate;

- (d) all taxes imposed on or relating to the Purchased Assets that are attributable to any pre-Closing tax period whether or not any such period ends or before the Closing Date (other than any Transfer Taxes that may be imposed on the Vendor in accordance with Section 3.2); and
- (e) all debts, liabilities and obligations of the Vendor arising under this Agreement.

Section 2.6 Allocation of Purchase Price

The Purchase Price will be allocated among the Purchased Assets in the manner to be agreed, in writing, by the Purchaser and the Vendor as soon as practicable after the Closing and in any event no later than thirty days following the Closing Date.

ARTICLE 3 PURCHASE PRICE

Section 3.1 Satisfaction of Purchase Price

The Purchase Price shall be satisfied by the Purchaser as follows:

- (a) On Closing, the Monitor shall be and is hereby authorized to transfer the Wind-Down Amount from the Deposit to a separate account, in partial satisfaction of the Purchase Price, such amount to be used by the Monitor solely to administer Medipure's bankruptcy proceedings.
 - (b) No less than two (2) Business Days after Closing, legal counsel to the Vendor shall submit a summary of all duly issued invoices (including the name of applicable legal counsel, dates and reference numbers of all invoices, amounts of fees and disbursements billed, but excluding any information subject to solicitor-client privilege) to the Monitor with a copy to the Purchaser for fees and expenses incurred through to Closing (collectively "**Final Invoice**").
 - (c) Promptly following the Purchaser's receipt of the Final Invoice, and subject to the Monitor's approval of the Final Invoice, the Monitor shall be and is hereby authorized to promptly distribute from the Deposit in partial satisfaction of the Purchase Price the amounts stipulated (or as revised) in the approved Final Invoice to legal counsel to the Vendor by wire transfer to accounts to be specified in writing on the Final Invoice.
 - (d) Following the issuance of a Court Order approving of the fees and disbursements incurred by the CRO, Monitor, and legal counsel to the Monitor in the CCAA Proceedings and the BIA Proceedings, the Monitor shall be and is hereby authorized to promptly distribute from the Deposit to the Administrative Professionals entitled to receive the amounts approved by such Court Order, in full and final satisfaction of the Purchase Price.
- (2) The remaining amount of the Deposit following the satisfaction of the Purchase Price in accordance with Section 3.1 shall be returned to the Purchaser, in accordance with Section 3.2.

For greater certainty, the value of the Assumed Obligations and the SHP Claims Release has been taken into account with respect to the determination of the aggregate Purchase Price payable pursuant to this Article 3.

Section 3.2 Deposit

- (a) The Parties hereby acknowledge and confirm that the Purchaser has provided the Deposit to legal counsel to the Monitor, in trust, prior to the execution of this Agreement.
- (b) The Monitor shall provide the Retainer Payment Amount to SHP by wire transfer from the Deposit account to an account to be specified by SHP in writing, within four (4) Business Days after Closing.
- (c) The Monitor shall return the surplus remaining of the Deposit, if any, after satisfaction of the Purchase Price in accordance with Section 3.1, to the Purchaser by wire transfer to an account to be specified by the Purchaser in writing, within four (4) Business Days after Closing; provided, however, this period may be delayed if it takes longer to review the Final Invoice.
- (d) Except for termination by the Vendor pursuant to Section 7.7(3), if the Closing does not occur for any reason, the full amount of the Deposit shall be forthwith returned by the Monitor to the Purchaser.
- (e) If the Agreement is terminated by the Vendor pursuant to Section 7.7(3), a portion of the Deposit in an amount equal to the Retainer Payment Amount shall become the property of, and may be retained by, the Vendor as liquidated damages (and not as a penalty) to compensate it for the expenses incurred and opportunities foregone as a result of the failure of the transaction of purchase and sale contemplated hereby to close. In this case, the remaining portion of the Deposit shall be returned to the Purchaser within one (1) Business Day.

Section 3.3 Transfer Taxes

- (1) The Parties agree that:
 - (a) the Purchase Price is exclusive of all Transfer Taxes and the Purchaser shall be liable for and shall pay any and all applicable Transfer Taxes pertaining to the Purchaser's acquisition of the Purchased Assets;
 - (b) the Purchaser shall pay any applicable Transfer Taxes on the Purchaser's acquisition of the Purchased Assets in addition to the Purchase Price, either to the Monitor on behalf of the Vendor or directly to the appropriate Governmental Authority, as required by Applicable Law; and
 - (c) if applicable, the Vendor and the Purchaser shall jointly elect under section 167 of the Excise Tax Act that no HST will be payable pursuant to the Excise Tax Act with respect to the purchase and sale of the Purchased Assets under this Agreement, and the Purchaser shall file such election(s) no later than the due date for the Purchaser's HST return for the first reporting period in which HST would, in the absence of filing such election, become payable in connection with the purchase and sale of the Purchased Assets under this Agreement. Notwithstanding this election(s), in the event it is determined by a Governmental Authority that there is a liability of the Purchaser to pay, or of the Vendor to collect and remit, HST in respect of the purchase and sale of the Purchased Assets hereunder, the Purchaser shall forthwith pay such HST to the applicable Governmental Authority, or to the Vendor for remittance to the appropriate Governmental Authority, as the case may be, and shall indemnify and save harmless the Vendor from any penalties and

interest which may be payable by or assessed against the Vendor (or its representatives, agents, employees, directors or officers) under the Excise Tax Act in respect thereof.

- (2) If requested by the Purchaser, the Vendors shall make a joint election(s) to have the rules in section 22 of the Income Tax Act, and any equivalent or corresponding provision under applicable provincial or territorial tax legislation, apply in respect of the Accounts Receivable.

If requested by the Purchaser, the Vendor shall make a joint election(s) to have the rules in subsection 20(24) of the Income Tax Act, and any equivalent or corresponding provision under applicable provincial or territorial tax legislation, apply to the obligations of the Vendor in respect of undertakings which arise from the operation of the business to which the Purchased Assets related and to which paragraph 12(1)(a) of the Income Tax Act applies.

Section 3.4 Wind-Down Amount

- (1) On Closing, the Monitor shall be authorized to take possession of the Wind-Down Amount in accordance with Section 3.1(a), to be held in trust for the benefit of the Administrative Professionals entitled to be paid costs in connection with the bankruptcy of Medipure. The Wind-Down Amount is a fixed amount estimated to cover the costs of the Administrative Professionals and there will be no upward or downward adjustment if the actual costs are higher or lower.
- (2) The Monitor shall be entitled to distribute the Wind Down Amount to the Administrative Professionals from time to time, subject only to the provision to the Monitor of duly rendered invoices.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

Section 4.1 Purchaser's Representations

The Purchaser represents and warrants to the Vendor as of the date hereof and acknowledges that, as of the Closing Time, the Vendor is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) the Purchaser is a corporation duly incorporated, organized and subsisting under the laws of its jurisdiction of incorporation and has the requisite power and authority to enter into this Agreement and to complete the transactions contemplated hereunder;
- (b) the Purchaser has the requisite power and authority to enter into this Agreement and to complete the transactions contemplated hereunder;
- (c) neither the execution of this Agreement nor the performance by the Purchaser of the Transaction will violate the Purchaser's constating documents, any agreement to which the Purchaser is bound, any judgment or order of a court of competent jurisdiction or any Governmental Authority, or any Applicable Law. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of the Purchaser. This Agreement is a valid and binding obligation of the Purchaser enforceable in accordance with its terms;

- (d) the Purchaser is not a non-resident of Canada for purposes of the Income Tax Act of the Excise Tax Act, as applicable;
- (e) the Purchaser is a registrant for purposes of the HST, and its registration number is 73441 5300 RC0001; and
- (f) the Purchaser has not committed an act of bankruptcy, is not insolvent, has not proposed a compromise or arrangement to its creditors generally, has not had any application for a bankruptcy order filed against it, has not taken any proceeding and no proceeding has been taken to have a receiver appointed over any of its assets, has not had an encumbrancer take possession of any of its property and has not had any execution or distress become enforceable or levied against any of its property.

Section 4.2 Vendor's Representations

The Vendor represents and warrants to the Purchaser as of the date hereof and as of the Closing Time as follows and acknowledges that the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) the Vendor is a corporation duly incorporated, organized and subsisting under the laws of its jurisdiction of incorporation;
- (b) the Vendor is not a non-resident of Canada for purposes of the Income Tax Act or the Excise Tax Act, as applicable;
- (c) MHI and MPI are registrants for purposes of the HST, and their registration numbers are 80734 2175 RC0001 in the case of MHI, and 81812 4232 RC0001 in the case of MPI; and
- (d) subject to obtaining the Approval and Vesting Order and, if applicable, the Assignment Order(s), the Vendor has the requisite power and authority to enter into this Agreement and to complete the Transaction contemplated hereunder.

Section 4.3 Limitations

With the exception of the Vendor's representations and warranties in Section 4.2 and the Purchaser's representations and warranties in Section 4.1, neither of the Vendor or the Purchaser, or their respective Representatives, nor any of their respective officers, directors or Employees make, have made or shall be deemed to have made any other representation or warranty, express or implied, at law or in equity, in respect of the Vendor, the Purchaser, or the Purchased Assets or the sale and purchase of the Purchased Assets pursuant to this Agreement.

ARTICLE 5 COVENANTS

Section 5.1 Conduct of Business in the Ordinary Course

- (1) The Vendor shall use its commercially reasonable efforts to:
 - (a) remain in possession of the Purchased Assets until Closing, use the Purchased Assets only in the ordinary course of business and maintain, preserve and protect the Purchased Assets

in the condition in which they exist on the date hereof, other than ordinary wear and tear and other than replacements, dispositions, modifications or maintenance in the ordinary course of business,

- (b) not dispose of any of the Purchased Assets, other than in the ordinary course of business,
- (c) not disclaim any Contract that is materially applicable to the Purchased Assets without the prior written consent of the Purchaser;
- (d) not make any repayments under the DIP Loan; and
- (e) not enter into any material contract or other material written agreement in respect of any of the Purchased Assets other than in the ordinary course of business; except, in each case, with the prior written consent of the Purchaser, such consent not to be unreasonably withheld, or an order of the Court, and provided that such consent of the Purchaser shall be deemed to have been given with respect to any request for such a consent to which the Purchaser fails to respond within two (2) Business Days after such request is made.

Section 5.2 Actions to Satisfy Closing Conditions

The Vendor agrees to take all commercially reasonable actions so as to ensure compliance with all of the conditions set forth in Section 6.1 and Section 6.3.

Section 5.3 Release of SHP Claims

Conditional upon Closing, SHP agrees to fully and finally release and discharge the Vendor in respect of the SHP Claims. This release shall not extend to the former directors and officers of the Vendor. SHP reserves its right to pursue actions against former directors and officers of the Vendor. For greater certainty, if the Closing does not occur for any reason, the release contemplated by this Section shall be voided and SHP shall remain at liberty to pursue the SHP Claims.

ARTICLE 6 CONDITIONS PRECEDENT

Section 6.1 Conditions Precedent in favour of the Purchaser

- (1) The obligation of the Purchaser to complete the Transaction is subject to the following conditions being fulfilled or performed:
 - (a) all representations and warranties of the Vendor contained in this Agreement shall be true in all material respects as of the Closing Time with the same effect as though made on and as of that date; and
 - (b) the Vendor shall have performed in all material respects each of its obligations under this Agreement to the extent required to be performed at or before the Closing Time, including the delivery of each of the items required pursuant to Section 7.3;
- (2) The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 6.1 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any

such waiver shall be binding on the Purchaser only if made in writing. If any condition set out in Section 6.1 is not satisfied or performed on or prior to the Outside Date, the Purchaser may elect on written notice to the Vendor to terminate this Agreement.

Section 6.2 Conditions Precedent in favour of the Vendor

- (1) The obligation of the Vendor to complete the Transaction is subject to the following conditions being fulfilled or performed:
 - (a) all representations and warranties of the Purchaser contained in this Agreement shall be true in all material respects as of the Closing Time with the same effect as though made on and as of that date; and
 - (b) the Purchaser shall have performed in all material respects each of its obligations under this Agreement to the extent required to be performed at or before the Closing Time, including the delivery of each of the items required pursuant to Section 7.2.
- (2) The foregoing conditions are for the exclusive benefit of the Vendor. Any condition in this Section 6.2 may be waived by the Vendor in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing. If any condition set forth in Section 6.2 is not satisfied or performed on or prior to the Outside Date, the Vendor may elect on written notice to the Purchaser to terminate the Agreement.

Section 6.3 Conditions Precedent in favour of both the Purchaser and the Vendor

- (1) The obligations of the Vendor and the Purchaser to complete the Transaction are subject to the following conditions being fulfilled or performed:
 - (a) the Approval and Vesting Order shall have been obtained and shall not have been stayed, varied, or vacated;
 - (b) no order shall have been issued by a Governmental Authority which restrains or prohibits the completion of the Transaction; and
 - (c) no motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement.
- (2) The Parties hereto acknowledge that the foregoing conditions are for the mutual benefit of the Vendor and the Purchaser. If the conditions set out in this Section 6.3 are not satisfied performed or mutually waived on or before the Outside Date, any Party shall have the option to terminate this Agreement upon written notice to the other Parties.

**ARTICLE 7
CLOSING**

Section 7.1 Closing

Subject to the conditions set out in this Agreement, the completion of the Transaction shall take place at the Closing Time by electronic means, or as otherwise determined by mutual agreement of the Parties in

writing and the Parties shall exercise commercially reasonable efforts to cause the Closing to occur at the Closing Time, and, in any event, prior to the Outside Date.

Section 7.2 Purchaser's Deliveries on Closing

At or before the Closing Time, the Purchaser shall execute and deliver, or arrange for the delivery, as the case may be, to the Vendor the following, each of which shall be in form and substance satisfactory to the Vendor, acting reasonably:

- (a) payment of Transfer Taxes required by Applicable Law to be collected by the Vendor, or alternatively, if applicable, the election referred to in Section 3.3(1)(c) executed by the Purchaser;
- (b) an executed assignment and assumption agreement evidencing the assumption by the Purchaser of the Assumed Obligations;
- (c) in accordance with Section 5.3, a full and final release by SHP in favour of the Vendor forever releasing and discharging the Vendor in respect of the SHP Claims;
- (d) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Purchaser has performed in all respects the covenants to be performed by it prior to the Closing Time; and
- (e) such further and other documentation as is referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

Section 7.3 Vendor's Deliveries on Closing

At or before the Closing Time, the Vendor shall execute and deliver, or arrange for the delivery, as the case may be, to the Purchaser the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) the Purchased Assets, which shall be delivered *in situ* wherever located as of the Closing;
- (b) the Approval and Vesting Order;
- (c) an executed assignment and assumption agreement evidencing the assignment by the Vendor of the Assumed Obligations to the Purchaser;
- (d) all Assignment Orders entered by the Court, if any;
- (e) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Vendor contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Vendor have performed in all material respects the covenants to be performed by them prior to the Closing Time;
- (f) if applicable, the election referred to in Section 3.3(1)(c) executed by the Vendor;
- (g) the executed Monitor's Certificate; and

- (h) such further and other documentation as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

Section 7.4 Vendor's Post-Closing Deliveries

As soon as practicable after the Closing Time, the Vendor shall execute and deliver, or arrange for the delivery, as the case may be, to the Purchaser, in form and substance satisfactory to the Purchaser, acting reasonably, stock/unit certificates or similar documents registered in the name of the Purchaser (or its designee) representing all of the Medipure Croatia Shares, and any other documents which may be reasonably requested by the Purchaser, if any, to transfer good title to the Medipure Croatia Shares from the Vendor to the Purchaser (or its designee) and to enable the Purchaser to procure registration of such Medipure Croatia Shares in its name or as it may direct.

Section 7.5 Possession of Assets

- (1) On Closing, the Purchaser shall take possession of the Purchased Assets where situated at Closing. The Purchaser acknowledges that the Vendor shall have no obligation to deliver physical possession of the Purchased Assets to the Purchaser. In no event shall the Purchased Assets be sold, assigned, transferred or sent over to the Purchaser until the conditions set out in this Agreement and the Approval and Vesting Order have been satisfied or waived by the Purchaser or Vendor, as applicable, and the Purchaser has satisfied all delivery requirements outlined in Section 7.2. The Purchaser shall promptly notify the Vendor of any Excluded Assets which may come into the possession or control of the Purchaser, whether before or after Closing, and thereupon shall promptly release such Excluded Assets to the Vendor, or to such other Person as the Vendor may direct in writing and, for greater certainty, title shall not be deemed to vest to the Purchaser in respect of any Excluded Assets. The Vendor shall have no obligation to remove any Excluded Equipment from any premises that constitute part of the Purchased Assets.
- (2) The Purchased Assets shall be and remain until Closing at the risk of the Vendor. In the event of material damage by fire or other hazard to the Purchased Assets or any part thereof occurring before the Closing Date, the Vendor shall immediately advise the Purchaser thereof by notice in writing. Where such damage is of such a nature that the Purchaser determines that it no longer wishes to complete the Transaction, acting in its sole and unfettered discretion, then the Purchaser, at its sole option, may within one (1) Business Day of receiving such written notice, terminate this Agreement without liability or obligation to the Vendor. Forthwith thereafter, the Deposit, without interest, shall be returned to the Purchaser.

Section 7.6 Dispute Resolution

If any dispute arises with respect to any matter related to the Transaction or the interpretation or enforcement of this Agreement such dispute will be determined by the Court, or by such other Person or in such other manner as the Court may direct.

Section 7.7 Termination

- (1) This Agreement shall automatically terminate at any time prior to the Closing Time by mutual written agreement of the Vendor and the Purchaser and on consent of the Monitor.
- (2) This Agreement may be terminated at any time prior to the Closing Time should Closing not have occurred on or prior to the Outside Date in accordance with Section 6.3 and any of the Parties shall have delivered written notice of termination to the other Parties terminating this Agreement as a

result thereof (provided that the terminating Party has not failed to satisfy a closing condition under this Agreement).

- (3) This Agreement may be terminated by the Vendor, if there has been a material violation or breach by the Purchaser of any agreement, covenant, representation or warranty of the Purchaser in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 6.2 or Section 6.3 by the Outside Date and such violation or breach has not been waived by the Vendor or cured within two Business Days of the Vendor providing notice to the Purchaser of such breach, unless the Vendor is in material breach of its obligations under this Agreement.
- (4) This Agreement may be terminated by the Purchaser, if there has been a material violation or breach by the Vendor of any agreement, covenant, representation or warranty of the Vendor in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 6.1 or Section 6.3 by the Outside Date and such violation or breach has not been waived by the Purchaser or cured within two Business Days of the Purchaser providing notice to the Vendor of such breach, unless the Purchaser is in material breach of its obligations under this Agreement.

Section 7.8 Effects of Termination and Closing

- (1) If this Agreement is terminated pursuant to Section 7.7, all further obligations of the Parties under or pursuant to this Agreement shall terminate without further liability of any Party to the other except for the provisions of this Section 7.8 (Effects of Termination and Closing) and Section 3.2 (Deposit), each of which will survive termination.
- (2) Under no circumstance shall any of the Parties, their Representatives or their respective directors, officers, employees or agents be liable for any special, punitive, exemplary, consequential or indirect damages (including loss of profits) that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the transactions contemplated herein.

ARTICLE 8 GENERAL

Section 8.1 Access to Books and Records

For a period of two (2) years from the Closing Date or for such longer period as may be reasonably required for the Vendor (or any trustee in bankruptcy of the estate of the Vendor) to comply with Applicable Law, the Purchaser will retain all original Books and Records that are transferred to the Purchaser under this Agreement. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement, the Vendor (and any officer or trustee in bankruptcy of the estate of the Vendor, including the Monitor) has the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser.

Section 8.2 Notice

- (1) Any notice or other communication under this Agreement shall be in writing and may be delivered by read-receipted email, addressed:
 - (a) in the case of the Purchaser, as follows:

Apogee Pharmaceuticals, Inc.
c/o Bennett Jones LLP
Suite 2500, 666 Burrard Street
Vancouver, BC V6C 2X8

Attention: Craig Anderson
Email: cea@shpam.com

with a copy to:

Bennett Jones LLP
Suite 2500, 666 Burrard Street
Vancouver, BC V6C 2X8

Attention: David Gruber / Jesse Mighton
Email: gruberd@bennettjones.com / mightonj@bennettjones.com

(b) in the case of the Vendor, as follows:

Medipure Holdings Inc.
302-267 West Esplanade Ave
North Vancouver, BC V7M 1A5

Attention: Nihar Pandey
Email: nrpandey@medipurepharma.com

with a copy to:

Boughton Law Corporation
595 Burrard Street, Suite 700
Vancouver, BC V7X 1S8

Attention: Martin Sennott
Email: msennott@boughtonlaw.com

(c) in the case of the CRO, as follows:

Helmsman Management Ltd.
400-602 Broughton Street
Victoria, BC V8W 1C7

Attention: John Parkinson / Stephen Albinati
Email: john.parkinson@helmsmangroup.ca / stephen.albinati@helmsmangroup.ca

(d) in the case of the Monitor, as follows:

Deloitte Restructuring Inc.
410 West Georgia Street
Vancouver, BC V6B 0S7

Attention : Jeff Keeble, Senior Vice-President

Email: jkeeble@deloitte.ca

with a copy to:

Clark Wilson LLP
900-885 West Georgia Street
Vancouver, BC V6C 3H1

Attention: Christopher Ramsay
Email: cramsay@cwilson.com

- (2) Any such notice or other communication, if transmitted by email before 5:00 p.m. (Vancouver time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Vancouver time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.
- (3) Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party.

Section 8.3 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendor and the Purchaser.

Section 8.4 Survival

The representations and warranties of the Parties contained in this Agreement shall merge on Closing and the covenants of the Parties contained herein to be performed after the Closing shall survive Closing and remain in full force and effect.

Section 8.5 Personal Information

The Purchaser hereby acknowledges that it is aware, and that it will advise its Representatives, that privacy legislation, including the *Personal Information Protection and Electronic Documents Act* (Canada), applies to certain information that may be disclosed to the Purchaser and its Representatives pursuant to this Agreement and/or the Transaction. The Purchaser agrees to comply, and cause its Representatives to comply, with such privacy legislation in connection with any such information disclosed to it or any of them.

Section 8.6 Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

Section 8.7 Entire Agreement

This Agreement, the attached Schedules hereto, constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements.

This Agreement may not be amended or modified in any respect except by written instrument executed by all of the Parties.

Section 8.8 Assignment

Neither this Agreement nor any of the rights or obligations hereunder may be assigned by any Party without the prior written consent of the other Party; provided, however, that the Purchaser may assign the right to purchase certain Purchased Assets to one or more of its affiliates. Any purported assignment without such consent shall be void and unenforceable.

Section 8.9 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

Section 8.10 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and each of the Parties irrevocably attorns to the exclusive jurisdiction of the Court.

Section 8.11 Further Assurances

Each of the Parties shall, at the request and expense of the requesting Party, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such conveyances, transfers, documents and further assurances as may be reasonably necessary or desirable to give effect to this Agreement.

Section 8.12 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or by e-mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

Section 8.13 Severability

Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant, an agreement or the transfer of any Purchased Asset herein is prohibited or unenforceable pursuant to Applicable Law, then such condition, covenant, agreement or transfer shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

Section 8.14 Monitor's Certificate

The Parties acknowledge and agree that the Monitor shall be entitled to deliver to the Purchaser, and file with the Court, the executed Monitor's Certificate without independent investigation, upon receiving written confirmation from both Parties (or the applicable Party's counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Monitor shall have no liability to the Parties in connection therewith. The Parties further acknowledge and agree that upon written confirmation from both Parties that all conditions of Closing in favour of such Party have been satisfied or waived (other than the

payments contemplated in Section 3.1(c) and the delivery of the executed Monitor's Certificate), the Monitor may deliver the executed Monitor's Certificate to the Purchaser's counsel in escrow, with the sole condition of its release from escrow being the Monitor's written confirmation that all such funds have been received, the Monitor's Certificate will be released from escrow to the Purchaser, and the Closing shall be deemed to have occurred.

Section 8.15 Monitor and CRO's Capacity

The Vendor and the Purchaser acknowledge and agree that the Monitor and the CRO, each acting in its respective capacity in the CCAA Proceedings, will have no liability, in its personal capacity or otherwise, in connection with this Agreement whatsoever as Monitor or as CRO, as the case may be, except for gross negligence or willful misconduct.

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IN WITNESS WHEREOF, the Parties have executed this Agreement.

PURCHASER:

APOGEE PHARMACEUTICALS, INC.

By: 
Name: Craig Anderson
Title: Chief Executive Officer

VENDOR:

MEDI-PURE HOLDINGS INC., by its authorized signatory, HELMSMAN MANAGEMENT LTD., in its capacity as Court-appointed Chief Restructuring Officer, and not in its personal capacity

By: _____
Name: John Parkinson
Title: President

MEDI-PURE PHARMACEUTICALS INC., by its authorized signatory, HELMSMAN MANAGEMENT LTD., in its capacity as Court-appointed Chief Restructuring Officer, and not in its personal capacity

By: _____
Name: John Parkinson
Title: President

COVENANTEE:

SHP CAPITAL, LLC

By: 
Name: Craig Anderson
Title: Manager

IN WITNESS WHEREOF, the Parties have executed this Agreement.

PURCHASER:

APOGEE PHARMACEUTICALS, INC.

By: _____


Name: Craig Anderson
Title: Chief Executive Officer

VENDOR:

MEDI PURE HOLDINGS INC., by its authorized signatory, HELMSMAN MANAGEMENT LTD., in its capacity as Court-appointed Chief Restructuring Officer, and not in its personal capacity

DocuSigned by:

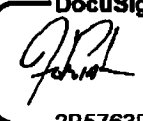
By: _____

Name: 
Title: President
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MEDI PURE PHARMACEUTICALS INC., by its authorized signatory, HELMSMAN MANAGEMENT LTD., in its capacity as Court-appointed Chief Restructuring Officer, and not in its personal capacity

DocuSigned by:

By: _____

Name: 
Title: President
2B5763B76965460...

COVENANTEE:

SHP CAPITAL, LLC

By: _____

Name: Craig Anderson
Title: Manager

SCHEDULE "A"
PURCHASED ASSETS

1. All inventory of the Vendor used in the carrying on of its business;
2. The Medipure Croatia Shares;
3. The D&O Claims;
4. All Intellectual Property;
5. all vehicles, tools, equipment, furniture, furnishings, computer hardware and peripheral equipment, supplies and accessories;
6. all inventories and all production, shipping and packaging supplies;
7. all accounts receivable, pre-paid expenses and deposits;
8. The proceeds from any SRED tax credits payable to the Vendor;
9. The benefit of all contracts or other agreements listed in Appendix 1 to this Schedule A in each case, as amended, extended, assigned or otherwise modified (the "**Assumed Contracts**");
10. All other government licenses, approvals, permits or similar used in connection with the business, to the extent they are assignable;
11. All supplies owned by the Vendor and used in connection with the business;
12. All movable property, leasehold improvements and equipment, furniture, fixtures and other fixed assets, if any (excluding those that are subject to capital leases), in addition to all computer hardware used in connection with the business; and
13. All Books and Records;
14. All goodwill associated with the business or the Purchased Assets, including the right to carry on the business in continuation of the Vendor;
15. All cash and equivalents; and
16. The GCB Claims.

Appendix 1 to Schedule "A"
Assumed Contracts

1. U-Lock - Storage Locker
2. BDO – Forensic Audit
3. Elsevier BC Science Direct – Scientific Articles Review
4. University of Eastern Finland – Research and Technology Transfer
5. FE Eurofins Advinus – Toxicology Study
6. Lloyd's Insurance – Office and Lab insurance
7. Shaw Internet – Assume contracts for 1) 267 W Esplanade, North Vancouver and 2) 4475 Wayburne Drive, Burnaby
8. Telus – Mobile Line for 2FA
9. Intuit – Quickbooks
10. GoDaddy – Domain and DNS
11. Veeam – Backups
12. Microsoft – Windows Server
13. Microsoft – Office 365
14. Cisco – Network Hardware

SCHEDULE "B"
EXCLUDED ASSETS

Stock of Medipure LifeSciences India Pvt Ltd.

SCHEDULE "C"
PERMITTED ENCUMBRANCES

None.

No. **S-226773**
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH
COLUMBIA**

*THE COMPANIES' CREDITORS ARRANGEMENT
ACT, R.S.C. 1985, c. C-36*

AND

IN THE MATTER OF THE *BUSINESS
CORPORATIONS ACT, S.B.C. 2002, c. 57*

AND

IN THE MATTER OF MEDIPURE
PHARMACEUTICALS INC. AND MEDIPURE
HOLDINGS INC.

ORDER MADE AFTER APPLICATION

File No.: 29442-0031

Clark Wilson LLP

900 – 885 West Georgia Street
Vancouver, BC V6C 3H1
604.643.3176

LAWYER: Christopher J. Ramsay